

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

TL TOYS HK, LTD.,

Civ. No.: 07 CV 1366 (DAB)

Plaintiff,

-against-

CHRISHA CREATIONS, LTD.,

Defendant.

**DECLARATION OF JOSEPH K.
POE IN SUPPORT OF
CHRISHA CREATIONS, LTD.'S
MOTION TO DISMISS**

-----X

I, Joseph K. Poe, hereby declare as follows:

1. I am an attorney duly admitted to practice law in the State of New York and in the United States District Court, Southern District of New York. I am a member of the law firm Rivkin Radler LLP, located at 926 RexCorp Plaza, Uniondale, New York 11556-0926, attorneys for the defendant, Chrisha Creations, Ltd., and, as such, I am fully familiar with the facts and circumstances herein based upon personal knowledge and a review of our file in this matter.

2. I make this declaration in support of Royal's motion to dismiss, pursuant to Fed. R. Civ. P. 12(b)(6).

3. Attached to this Declaration as Exhibit "1" is a true and correct copy of the Complaint in the action *Chrisha Creations, Ltd. v. TL Toys HK, Ltd.*, 1:06-cv-00499-S-LDA (D. R.I.) (the "Rhode Island Action").

4. Attached to this Declaration as Exhibit "2" is a true and correct copy of the Affidavit of Service filed by Chrisha in the Rhode Island Action.

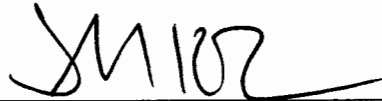
5. Attached to this Declaration as Exhibit "3" is a true and correct copy of the Application to Clerk for Entry of Default in the Rhode Island Action, dated March 6, 2007.

6. Attached to this Declaration as Exhibit "4" is a true and correct copy of the Entry of Default entered in the Rhode Island Action, dated March 7, 2007.

7. Attached to this Declaration as Exhibit "5" is a true and correct copy of the Complaint filed in this action.

8. I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 29, 2007,
Uniondale, New York.

A handwritten signature in black ink, appearing to read 'JP 102', is written over a horizontal line.

Joseph K. Poe (JP 1960)
Rivkin Radler LLP
Attorneys for Defendant
926 RexCorp Plaza
Uniondale, New York 11556-0926
(516) 357-3000

EXHIBIT 1

UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND

CHRISHA CREATIONS, LTD.

PLAINTIFF

VS.

CA 06 499S-LDA

CIVIL ACTION NO.

TL TOYS HK, LTD.

DEFENDANT.

COMPLAINT

Plaintiff, CHRISHA CREATIONS, LTD. ("Chrisha"), by and through its attorneys, KIERNAN PLUNKETT & REDIHAN, hereby states its claims for relief against Defendant, TL TOYS HK, LTD. (hereinafter "TL Toys") and alleges as follows:

NATURE AND STATUTORY BASES OF ACTION

1. This is an action for declaratory relief pursuant to 28 U.S.C. § 2201 and 2202, and damages as a result of a breach of contract by TL Toys. Chrisha seeks a declaration that it properly rejected defective goods received from defendant TL Toys under the Uniform Commercial Code, U.C.C. § 2-601, *et. seq.* (R.I. Gen. Laws § 6A-2-601, *et. seq.*). Chrisha seeks a declaration that it is entitled to indemnification from TL Toys

for any claims against Chrisha by third-parties arising out of the delivery and rejection of defective goods from TL Toys. Chrisha also seeks damages as a result of the breach of sales orders by TL Toys.

PARTIES

2. Chrisha is a corporation formed under the laws of the State of Rhode Island with its principal place of business in Smithfield, Rhode Island.

3. Upon information and belief, TL Toys is a corporation formed under the laws of Hong Kong with its principal place of business in Hong Kong.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332, as the parties are of diverse citizenship and the amount in controversy exclusive of costs and fees is in excess of \$75,000.

5. This Court has personal jurisdiction over TL Toys, as TL Toys has transacted and does transact business within the District of Rhode Island, and TL Toys has purposefully directed its conduct toward Chrisha in this District.

6. Venue is proper in the District of Rhode Island under 28 U.S.C. § 1391(a) and (c), as Chrisha resides in this District and TL Toys conducts business in this District.

GENERAL ALLEGATIONS

7. Chrisha entered into certain contracts with TL Toys for the purchase by Chrisha of certain goods manufactured by TL Toys. Specifically, Chrisha purchased

from TL Toys "rotating inflatable products", product numbers 89004, 88886, 89005, 89011, 88996m and 89004m, and "inflatable Halloween archway tunnels", product number 89017 (collectively referred to as "the TL Toys products").

8. The TL Toys products purchased by Chrisha were to be distributed by Chrisha to its customers. In many cases, the TL Toys products were shipped directly from TL Toys to Chrisha's customers in the United States and Canada.

9. Upon inspection of the TL Toys products received from TL Toys, various defects were discovered and, as a result, such products do not conform to the terms of the contracts entered into between Chrisha and TL Toys.

10. The total number of currently known non-conforming "Rotating inflatable products" is approximately 40,000 pieces and the defects currently known to be contained in the "Rotating inflatable products" include the following: (1) the Rotating module fails to rotate; (2) the Snow circulation tubes do not properly circulate snow and do not function as required; (3) the Center inflatable is not inflating; (4) the support string inside the inflatable is breaking and fails to support the figure upright as necessary; and (5) there are stained and otherwise non-conforming materials that were used in the products.

11. The total number of non-conforming "Halloween Archway Tunnels" is approximately 1,000 pieces and the defects currently known to be contained in the "Halloween Archway Tunnels" include the following: (1) the fan is not up to contract

standards; and (2) the products fail to inflate.

12. The TL Toys products also were not timely delivered by TL Toys as required by the terms of the contracts.

13. As a result of the non-conformity of the TL Toys products, Chrisha rejected the TL Toys products pursuant to the contracts between TL Toys and Chrisha and the Uniform Commercial Code.

14. Chrisha also retained and reserved all of its rights and remedies, including the right to seek all damages available to it under the Uniform Commercial Code and based on any other law or fact.

15. As a result of the non-conformity of the TL Toys products, Chrisha has no obligation to make payment to TL Toys for any of the TL Toys products in accordance with the terms and conditions of the Uniform Commercial Code.

FIRST CLAIM FOR RELIEF

(Proper Rejection Under UCC)

16. Chrisha hereby incorporates Paragraphs 1 through 15 as if fully stated herein.

17. The TL Toys products provided by TL Toys pursuant to the contracts entered into between TL Toys and Chrisha were defective and did not conform to the terms of the contracts.

18. Pursuant to U.C.C. § 2-601 *et. seq.* (R.I. Gen. Laws § 6A-2-601, *et. seq.*), Chrisha properly rejected the TL Toys products as they failed to conform to the contracts.

19. Chrisha's rejection of the TL Toys products was within a reasonable time after their delivery by TL Toys.

20. Chrisha is thus entitled to a judicial declaration that its rejection of the TL Toys products was proper under the Uniform Commercial Code.

SECOND CLAIM FOR RELIEF

(Indemnification of Third-Party Claims)

21. Chrisha hereby incorporates Paragraphs 1 through 20 as if fully stated herein.

22. Chrisha entered into contracts with certain of its customers to supply such customers with rotating inflatable products and inflatable Halloween archway tunnels.

23. As a result of TL Toys' breach of the contracts concerning its sale of the TL Toys products to Chrisha, Chrisha was unable to fulfill its obligations to its customers under its contracts with its customers.

24. TL Toys is responsible for indemnifying Chrisha against any and all third-party claims by Chrisha's customers arising out of TL Toys' breach of its contracts with Chrisha for the TL Toys products, including TL Toys' reimbursement of the purchase price paid by Chrisha's customers for the TL Toys products and the profit that

Chrisha's customers would have derived from the sale of the TL Toys products.

25. Chrisha is thus entitled to a judicial declaration that TL Toys is responsible for indemnifying Chrisha against any and all third-party claims by Chrisha's customers arising out of TL Toys' breach of its contracts with Chrisha for the TL Toys products.

THIRD CLAIM FOR RELIEF

(Breach of Contract)

26. Chrisha hereby incorporates Paragraphs 1 through 25 as if fully stated herein.

27. As a result of TL Toys' breach of contract, Chrisha was forced to incur various costs, including but not limited to, freight and shipping charges, inspection of the defective products and other costs.

28. The full extent of Chrisha's damages has not yet been ascertained.

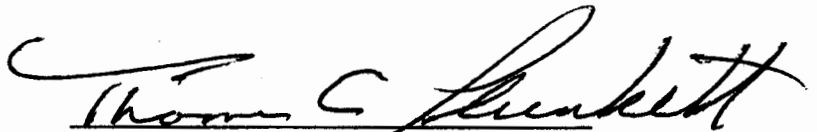
29. Chrisha seeks to recover damages against TL Toys for all amounts and costs that Chrisha has sustained or will sustain as a result of the breach of contract by TL Toys.

WHEREFORE, Chrisha requests that this Court enter judgment against TL Toys as follows:

- a. On Chrisha's First Claim for Relief, a judicial declaration that its rejection of the TL Toys products was proper under the Uniform

Commercial Code;

- b. On Chrisha's Second Claim for Relief, a judicial declaration that TL Toys is responsible for indemnifying Chrisha against any and all third-party claims by Chrisha's customers arising out of TL Toys' breach of its contracts with Chrisha for the TL Toys products;
- c. On Chrisha's Third Claim for Relief, damages in an amount to be determined by this Court representing all amounts and costs that were incurred and will be incurred by Chrisha as a result of the breach of contract by TL Toys;
- d. Awarding Chrisha its costs in this action; and
- e. Awarding Chrisha such other and further relief as this Court deems just and proper.



Thomas C. Plunkett #1662
KIERNAN, PLUNKETT & REDIHAN
91 Friendship Street
Providence, RI 02903
TEL (401) 831-2900
FAX (401) 331-7123
Attorney for Plaintiff
CHRISHA CREATIONS, LTD.

JS 44 (Rev. 11/04)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

<p>I. (a) PLAINTIFFS CHRISHA CREATIONS, LTD.</p> <p>(b) County of Residence of First Listed Plaintiff _____ (EXCEPT IN U.S. PLAINTIFF CASES)</p> <p>(c) Attorney's (Firm Name, Address, and Telephone Number) Thomas C. Plunkett, Esq. KIERNAN PLUNKETT & REDIHAN, 91 Friendship Street, Providence, RI 02903 401-831-2900</p>	<p>DEFENDANTS TL TOYS HK, LTD.</p> <p>County of Residence of First Listed Defendant _____ (IN U.S. PLAINTIFF CASES ONLY)</p> <p>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.</p> <p>Attorneys CA 06 499S-LDA</p>
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<p>II. BASIS OF JURISDICTION (Place an "X" in One Box Only)</p> <p><input type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)</p> <p><input type="checkbox"/> 2 U.S. Government Defendant <input checked="" type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)</p>	<p>III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)</p> <table border="1" style="width:100%"> <tr> <th></th> <th>PTF</th> <th>DEF</th> <th></th> <th>PTF</th> <th>DEF</th> </tr> <tr> <td>Citizen of This State</td> <td><input checked="" type="checkbox"/> 1</td> <td><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business in This State</td> <td><input type="checkbox"/> 4</td> <td><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td><input type="checkbox"/> 5</td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input checked="" type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input checked="" type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input checked="" type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. NATURE OF SUIT (Place an "X" in One Box Only)

<p>CONTRACT</p> <p><input type="checkbox"/> 110 Insurance</p> <p><input type="checkbox"/> 120 Marine</p> <p><input type="checkbox"/> 130 Miller Act</p> <p><input type="checkbox"/> 140 Negotiable Instrument</p> <p><input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment</p> <p><input type="checkbox"/> 151 Medicare Act</p> <p><input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)</p> <p><input type="checkbox"/> 153 Recovery of Overpayment of Veterans's Benefits</p> <p><input type="checkbox"/> 160 Stockholders' Suits</p> <p><input type="checkbox"/> 190 Other Contract</p> <p><input checked="" type="checkbox"/> 195 Contract Product Liability</p> <p><input type="checkbox"/> 196 Franchise</p>	<p>PERSONAL INJURY</p> <p><input type="checkbox"/> 310 Airplane</p> <p><input type="checkbox"/> 315 Airplane Product Liability</p> <p><input type="checkbox"/> 320 Assault, Libel & Slander</p> <p><input type="checkbox"/> 330 Federal Employers' Liability</p> <p><input type="checkbox"/> 340 Marine</p> <p><input type="checkbox"/> 345 Marine Product Liability</p> <p><input type="checkbox"/> 350 Motor Vehicle</p> <p><input type="checkbox"/> 355 Motor Vehicle Product Liability</p> <p><input type="checkbox"/> 360 Other Personal Injury</p>	<p>PERSONAL INJURY</p> <p><input type="checkbox"/> 362 Personal Injury - Med. Malpractice</p> <p><input type="checkbox"/> 365 Personal Injury - Product Liability</p> <p><input type="checkbox"/> 368 Asbestos Personal Injury Product Liability</p> <p>PERSONAL PROPERTY</p> <p><input type="checkbox"/> 370 Other Fraud</p> <p><input type="checkbox"/> 371 Truth in Lending</p> <p><input type="checkbox"/> 380 Other Personal Property Damage</p> <p><input type="checkbox"/> 385 Property Damage Product Liability</p>	<p>FORFEITURE/PENALTY</p> <p><input type="checkbox"/> 610 Agriculture</p> <p><input type="checkbox"/> 620 Other Food & Drug</p> <p><input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881</p> <p><input type="checkbox"/> 630 Liquor Laws</p> <p><input type="checkbox"/> 640 R.R. & Truck</p> <p><input type="checkbox"/> 650 Airline Regs.</p> <p><input type="checkbox"/> 660 Occupational Safety/Health</p> <p><input type="checkbox"/> 690 Other</p>
<p>REAL PROPERTY</p> <p><input type="checkbox"/> 210 Land Condemnation</p> <p><input type="checkbox"/> 220 Foreclosure</p> <p><input type="checkbox"/> 230 Rent Lease & Ejectment</p> <p><input type="checkbox"/> 240 Torts to Land</p> <p><input type="checkbox"/> 245 Tort Product Liability</p> <p><input type="checkbox"/> 290 All Other Real Property</p>	<p>CIVIL RIGHTS</p> <p><input type="checkbox"/> 441 Voting</p> <p><input type="checkbox"/> 442 Employment</p> <p><input type="checkbox"/> 443 Housing/Accommodations</p> <p><input type="checkbox"/> 444 Welfare</p> <p><input type="checkbox"/> 445 Amer. w/Disabilities - Employment</p> <p><input type="checkbox"/> 446 Amer. w/Disabilities - Other</p> <p><input type="checkbox"/> 440 Other Civil Rights</p>	<p>PRISONER PETITIONS</p> <p><input type="checkbox"/> 510 Motions to Vacate Sentence</p> <p>Habeas Corpus:</p> <p><input type="checkbox"/> 530 General</p> <p><input type="checkbox"/> 535 Death Penalty</p> <p><input type="checkbox"/> 540 Mandamus & Other</p> <p><input type="checkbox"/> 550 Civil Rights</p> <p><input type="checkbox"/> 555 Prison Condition</p>	<p>LABOR</p> <p><input type="checkbox"/> 710 Fair Labor Standards Act</p> <p><input type="checkbox"/> 720 Labor/Mgmt. Relations</p> <p><input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act</p> <p><input type="checkbox"/> 740 Railway Labor Act</p> <p><input type="checkbox"/> 790 Other Labor Litigation</p> <p><input type="checkbox"/> 791 Empl. Ret. Inc. Security Act</p>
			<p>BANKRUPTCY</p> <p><input type="checkbox"/> 422 Appeal 28 USC 158</p> <p><input type="checkbox"/> 423 Withdrawal 28 USC 157</p>
			<p>PROPERTY RIGHTS</p> <p><input type="checkbox"/> 820 Copyrights</p> <p><input type="checkbox"/> 830 Patent</p> <p><input type="checkbox"/> 840 Trademark</p>
			<p>SOCIAL SECURITY</p> <p><input type="checkbox"/> 861 HIA (1395ff)</p> <p><input type="checkbox"/> 862 Black Lung (923)</p> <p><input type="checkbox"/> 863 DIWC/DIWW (405(g))</p> <p><input type="checkbox"/> 864 SSID Title XVI</p> <p><input type="checkbox"/> 865 RSI (405(g))</p>
			<p>FEDERAL TAX SUITS</p> <p><input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)</p> <p><input type="checkbox"/> 871 IRS—Third Party 26 USC 7609</p>
			<p>OTHER STATUTES</p> <p><input type="checkbox"/> 400 State Reapportionment</p> <p><input type="checkbox"/> 410 Antitrust</p> <p><input type="checkbox"/> 430 Banks and Banking</p> <p><input type="checkbox"/> 450 Commerce</p> <p><input type="checkbox"/> 460 Deportation</p> <p><input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations</p> <p><input type="checkbox"/> 480 Consumer Credit</p> <p><input type="checkbox"/> 490 Cable/Sat TV</p> <p><input type="checkbox"/> 810 Selective Service</p> <p><input type="checkbox"/> 850 Securities/Commodities/Exchange</p> <p><input type="checkbox"/> 875 Customer Challenge 12 USC 3410</p> <p><input type="checkbox"/> 890 Other Statutory Actions</p> <p><input type="checkbox"/> 891 Agricultural Acts</p> <p><input type="checkbox"/> 892 Economic Stabilization Act</p> <p><input type="checkbox"/> 893 Environmental Matters</p> <p><input type="checkbox"/> 894 Energy Allocation Act</p> <p><input type="checkbox"/> 895 Freedom of Information Act</p> <p><input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice</p> <p><input type="checkbox"/> 950 Constitutionality of State Statutes</p>

V. ORIGIN (Place an "X" in One Box Only)

☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
28 USC 2001 & 2002

Brief description of cause:
breach of contract - defective goods

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ _____

CHECK YES only if demanded in complaint:
JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY (See instructions): JUDGE _____ DOCKET NUMBER _____

DATE: 11-16-2006 SIGNATURE OF ATTORNEY OF RECORD: Thomas C. Plunkett

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

EXHIBIT 2

JO 440 (Rev. 10/93) Summons in a Civil Action

UNITED STATES DISTRICT COURT

District of Rhode Island

CHRISHA CREATIONS LTD.

V.

TL TOYS HK LTD.

SUMMONS IN A CIVIL CASE

CASE NUMBER: 06-499-S

TO: (Name and address of Defendant)

TL TOYS HK LTD.

YOU ARE HEREBY SUMMONED and required to serve upon PLAINTIFF'S ATTORNEY (name and address)

Thomas S. Plunkett Esq.
KIERNNY PLUNKETT & REDIHAN
91 Franklin Street
Providence, Rhode Island 02903

an answer to the complaint which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. You must also file your answer with the Clerk of this Court within a reasonable period of time after service.

CLERK

(By) DEPUTY CLERK

DATE

125

*Holder of Hong Kong Identity Card No. K896741 (5)

AO 440 (Rev. 10/93) Summons in a Civil Action

RETURN OF SERVICE		
Service of the Summons and complaint was made by me ⁽¹⁾	DATE <u>16-04-2007</u>	
NAME OF SERVER (PRINT) * POON MING HANG	TITLE <u>Process Clerk</u>	
<i>Check one box below to indicate appropriate method of service</i>		
<input checked="" type="checkbox"/> Served personally upon the third-party defendant. Place where served: <u>13/F., Portion A, Peninsula Centre, 67 Mody Road, Tsimshatsui, Kowloon, Hong Kong.</u>		
<input type="checkbox"/> Left copies thereof at the defendant's dwelling house or usual place of abode with a person of suitable age and discretion then residing therein. Name of person with whom the summons and complaint were left: _____		
<input type="checkbox"/> Returned unexecuted: _____		
<input type="checkbox"/> Other (specify): _____		
STATEMENT OF SERVICE FEES		
TRAVEL	SERVICES	TOTAL
DECLARATION OF SERVER		
I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.		
Executed on <u>16-04-2007</u>	Signature of Server <u>[Signature]</u>	
Date	Address of Server <u>Central, Hong Kong.</u>	

(1) As to who may serve a summons see Rule 4 of the Federal Rules of Civil Procedure.

UNITED STATES DISTRICT COURT

District of Rhode Island

CHRISHA CREATIONS, LTD.

SUMMONS IN A CIVIL CASE

V.

TL TOYS HK, LTD.

CASE NUMBER: 06-499 S

AFFIRMATION OF POON MING HANG

I, Poon Ming Hang, holder of Hong Kong Identity Card No. K896741(5) of 6th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong, clerk to Messrs Wilkinson & Grist, Solicitors for the Plaintiff, do solemnly, sincerely and truly affirm and say as that on Tuesday, 16th January 2007 I served the above-named Defendant TL TOYS HK, LTD. with a sealed copy of the Summons and the Complaint in Civil Case No.06-499 S together with a letter dated 16 January 2007 by delivering to the address of the registered office of the Defendant TL TOYS HK, LTD. at 13/F., Portion A, Peninsula Centre, 67 Mody Road, Tsimshatsui, Kowloon, Hong Kong. There is now produced and shown to me marked "PMH-1" a copy of the Letter and the Summons with the Complaint attached. The Defendant TL TOYS HK, LTD. has acknowledged receipt of the documents by affixing its company chop on the documents.

AFFIRMED at Room 1225,)
Prince's Building, Central, Hong Kong)
on 22nd day of January 2007.)



Before me,

Notary Public

LAI HIN WING, HENRY
Notary Public, Hong Kong SAR
Room 1225, 12/F., Prince's Building,
10 Chater Road, Central, Hong Kong.

UNITED STATES DISTRICT COURT

District of Rhode Island

CHRISHA CREATIONS, LTD.

SUMMONS IN A CIVIL CASE

V.

TL TOYS HK, LTD.

CASE NUMBER: 06-499 S

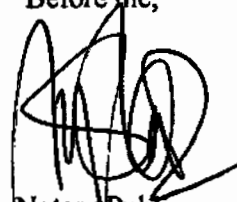
AFFIRMATION OF POON MING HANG

Filed on January, 2007
at

1/25

THIS IS THE EXHIBIT MARKED "PMH-1"
REFERRED TO IN THE STATUTORY DECLARATION
OF POON MING HANG DELCARED ON
THE 22nd DAY OF JANUARY, 2007.

Before me,



Notary Public
LAI HIN WING, HENRY
Notary Public, Hong Kong SAR
Room 1225, 12/F, Prince's Building,
10 Chater Road, Central, Hong Kong.

<u>DATE</u>	<u>EXHIBIT MARKED</u>	<u>DESCRIPTION</u>	<u>NO. OF PAGE(S)</u>
16/01/2007	"PMH-1"	a copy of the Letter and the Summons with the Complaint attached	11



Wilkinson & Grist

SOLICITORS & NOTARIES • AGENTS FOR TRADEMARKS & PATENTS

Our Ref: KH:ic:R801L0001
Your Ref:

TL Toys HK Limited
13/F., Portion A,
Peninsula Centre,
67 Mody Road,
Tsimshatsui,
Kowloon,
Hong Kong

Attn: Mr. Sun Li, Director

6th Floor, Prince's Building,
10 Chater Road, Hong Kong.
General Line: (852) 2524 6011
General Fax: (852) 2520 2090
Interchange: DX-009004 Central 1

Direct Line: (852) 2905 4729
Direct Fax: (852) 2840 0692
Direct E-mail: kho@wilgrist.com

Date: 16 January 2007

BY HAND

高
露
雲
律
師
行

Dear Sirs,

Re: **Chrisha Creation, Ltd. vs. TL Toys HK Ltd.**
Summons in a Civil Case – Case No. 06-499 S issued by United States District Court,
District of Rhode Island

We are the Hong Kong solicitors representing Chrisha Creations, Ltd. in the subject matter.

* We enclose by way of service the Summons in Civil Case dated December 20, 2006.

Yours faithfully,

WILKINSON & GRIST

Encl. (*)

16 01 07
3:45.

Partners:

L.O. Leung*
Catherine Y.N. Chong**
Michael W.T. Chan
Anne C.Y. Choi*
Yvonne Chua*
John R. Budge*

Cleresa P.Y. Wong†
Keith M.K. Ho*
Andrea S.Y. Fong
Jeffrey H. Lane
Howard H.L. Tsang
Raymond C.K. Chan†

Kenneth W.K. Fok
Eather W.L. Ho
Hannah M.W. Chow
Mena S.M. Lo
Winnie W.N. Chiu
Selene S.L. Ng

Associates:

Evelyn Y.L. Chan
Florence Y.Y. Chan
Janet S. Chan
Lawrence K.M. Chan
Thomas P.H. Chan
Lily Cheung

Loretta W.K. Lau
Rebecca K.P. Lau
Sherrie S.L. Lee
Venus K.P. Lee
Margaret Y.Y. Leung
Paul P.Y. Liu

Thomas C.S. Tsang
Albert T.S. Tsui
Anthony C.K. Wong
Cyril C.H. Yeung
Rosalind C.Y. Yung

Consultants:

Peter G. Brown
Grace S.Y. Fung*

* Notary Public
† China-Appointed Attesting

EXHIBIT 3

UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND

CHRISHA CREATIONS, LTD.
PLAINTIFF

VS.

CIVIL ACTION NO. 06-499S

TL TOYS HK, LTD.
DEFENDANT

APPLICATION TO CLERK FOR
ENTRY OF DEFAULT

The plaintiff in the above-entitled action pursuant to Rule 55(a) of the Federal Rules of Civil Procedure hereby makes application to the Clerk for Entry of Default for the plaintiff and against the defendant for failure of said defendant to plead or otherwise defend.

Said failure of defendant to plead or otherwise defend is set forth in the following affidavit.

AFFIDAVIT

The undersigned, being duly sworn, upon oath deposes and says:

1. That he is a duly authorized attorney for the plaintiff and has personal knowledge of the facts set forth in this affidavit.
2. That the plaintiff on the 16th day of November, 2006, filed in the action, its complaint against the defendant.
3. That examination of the court files and records in this action shows that the said defendant was duly served with a copy of the summons together with a copy of plaintiff's complaint on January 16, 2007.
4. That more than 20 days have elapsed since service of the summons and complaint; and

5. That the defendant has failed to plead or otherwise defend as to plaintiff's complaint; and
6. That this affidavit is executed by affiant herein in accordance with Rule 55(a) of the Federal Rules of Civil Procedure, for the purpose of enabling the plaintiff to obtain an entry of default against the defendant for its failure to plead or otherwise defend as to the plaintiff's complaint.

/s/ Thomas C. Plunkett

AFFIANT

Subscribed and sworn to before me this 6th day of March, 2007.

/s/ Charles N. Redihan, Jr.

Notary Public

NOTARY PUBLIC

ENTRY OF DEFAULT

It appearing that the defendant(s) in the above action, has failed to plead or otherwise defend as provided by the Federal Rules of Civil Procedure;

DEFAULT is hereby entered for the plaintiff and against defendant

this day of March, 2007.

CLERK

EXHIBIT 4

UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND

CHRISHA CREATIONS, LTD.
PLAINTIFF

VS.

CIVIL ACTION NO. 06-499S

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DEFENDANT

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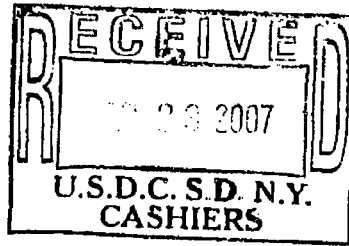

CLERK 3/2/07

EXHIBIT 5

COPY

DAY PITNEY LLP
Jeffrey S. Mandel (JM8435)
7 Times Square
New York, New York 10036
(212) 297-5800

Attorneys for Plaintiff
TL Toys HK Ltd.



UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK **JUDGE BATTS**

TL TOYS HK, LTD.,

Plaintiff,

v.

CHRISHA CREATIONS, LTD.,

Defendant.

07 CV 1366

COMPLAINT

Plaintiff, TL Toys HK, Ltd. ("TL Toys"), by its attorneys Day Pitney LLP, for their Complaint against Chrisha Creations, Ltd. ("Chrisha") in this action allege:

PARTIES AND JURISDICTION

1. Plaintiff, TL Toys, is a corporation organized and existing under the laws of Hong Kong.
2. Defendant, Chrisha, is a New York corporation with its principle place of business in Rhode Island.
3. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332 because the parties are diverse and the amount in controversy, exclusive of costs and fees, exceeds \$75,000.
4. This Court has personal jurisdiction over the Defendant.

5. Venue is proper pursuant to 28 U.S.C. § 1391.

ALLEGATIONS COMMON AS TO ALL COUNTS

6. This is a breach of contract action arising out of Chrisha's receipt of merchandise from TL Toys, and Chrisha's failure to pay.
7. TL Toys shipped the merchandise to several locations as agreed with Chrisha, including to New York.
8. TL Toys performed under the contract by supplying the merchandise ordered by Chrisha.
9. Chrisha accepted the merchandise and failed to timely and/or properly reject the merchandise.
10. Chrisha also agreed to pay to TL Toys upfront costs incurred by TL Toys, including but not limited to product development costs.
11. The upfront costs were designated as debit notes and were payable to TL Toys by Chrisha.
12. Chrisha made payments on some of the merchandise, but then stopped making payments.
13. Chrisha belatedly returned a small portion of the merchandise asserting that the merchandise was non-confirming.

FIRST CAUSE OF ACTION
(Breach of Contract)

14. TL Toys repeats and re-alleges paragraphs 1 through 13 as if set forth herein.
15. Chrisha agreed to pay TL Toys for upfront costs so that TL Toys could manufacture certain merchandise for Chrisha.
16. The following debit notes were issued:

INVOICE	AMT DUE	INVOICE	AMT DUE
DN074/2005	\$77.00	DN006/2006	\$387.10
DN004/2006	\$16,000.00	DN013/2006	\$14,050.00
DN005/2006	\$11,548.00	DN014/2006	\$66.00

DN015/2006	\$2,914.00	DN033/2006	\$8,000.00
DN024/2006	\$147.50	DN040/2006	\$90.30
DN025/2006	\$671.00	DN041/2006	\$180.65
DN026/2006	\$120.00	DN042/2006	\$220.00
DN027/2006	\$49,250.00	DN043/2006	\$1,124.54
DN031/2006	\$114.00	DN044/2006	\$903.23
DN032/2006	\$176.00	DN050/2006	\$606.40

17. Despite demand for payment, Chrisha has failed to pay the remaining balance.

18. An outstanding balance of \$106,645.72, plus interest, remains due and owing from Chrisha to TL Toys for the debit notes.

SECOND CAUSE OF ACTION
(Breach of Contract)

19. TL Toys repeats and re-alleges paragraphs 1 through 18 as if set forth herein.

20. On or around November 11, 2006, Chrisha filed a Complaint against TL Toys in the United States District Court for the District of Rhode Island (1:06-cv-499-S-LDA), which alleged that a small portion of the merchandise manufactured by TL Toys was allegedly non-conforming (the "Rhode Island Complaint").

21. Chrisha has not properly served TL Toys with the Rhode Island Complaint.

22. The Rhode Island Complaint identifies, and alleges as being non-conforming, TL Toys' product numbers 89004, 88886, 89005, 89011, 88996m, 89004m, and 89017.

23. The TL Toys' product numbers identified by Chrisha in the Rhode Island Complaint correspond to Chrisha invoices as follows:

PRODUCT #	INVOICE	AMT
89004	CHRS6046	\$299,040.00
88886	CHRS6031	\$365,844.00
88886	CHRS6051	\$26,230.00
89005	CHRS6031	\$469,810.00
89011	CHRS6029	\$215,000.00
88996m	CHRS6029	\$215,000.00
89004m	CHRS6050	\$179,224.00
89017	CHRS6027	\$21,945.00

24. The total amount of all of the invoices set forth in the Rhode Island Complaint by Chrisha is \$1,792,093.00.

25. Chrisha accepted the merchandise identified in the Rhode Island Complaint and/or failed to timely and/or properly reject the merchandise.

26. Despite demand for payment on same, Chrisha has refused to make payment to TL Toys for the merchandise identified by Chrisha in the Rhode Island Complaint.

27. An outstanding balance of \$1,792,093.00, plus interest, remains due and owing from Chrisha to TL Toys on product numbers 89004, 88886, 89005, 89011, 88996m, 89004m, and 89017.

THIRD CAUSE OF ACTION
(Breach of Contract)

28. TL Toys repeats and re-alleges paragraphs 1 through 27 as if set forth herein.

29. TL Toys manufactured merchandise for Chrisha pursuant to the parties' agreement in addition to the merchandise identified by Chrisha in the Rhode Island Complaint..

30. Below are the invoices for all of the merchandise manufactured by TL Toys for Chrisha:

INVOICE	AMT DUE	INVOICE	AMT DUE	INVOICE	AMT DUE
CHRS6031	\$1,081,526.30	CHRS6013	\$86,072.00	CHRS6032	\$33,631.20
CHRS6017	\$45,948.00	CHRS6013	\$44,576.00	CHRS6032	\$34,470.00
CHRS6017	\$25,620.00	CHRS6013	\$86,240.00	CHRS6032	\$34,885.20
CHRS6017	\$33,600.00	CHRS6013	\$60,760.00	CHRS6032	\$34,470.00
CHRS6025	\$15,945.60	CHRS6013	\$104,664.00	CHRS6032	\$33,631.20
CHRS6025	\$9,530.40	CHRS6032	\$9,342.00	CHRS6032	\$34,470.00
CHRS6011	\$192,405.40	CHRS6032	\$44,841.60	CHRS6032	\$34,470.00
CHRS6011	\$37,093.20	CHRS6032	\$34,470.00	CHRS6032	\$34,470.00
CHRS6013	\$41,955.20	CHRS6032	\$34,470.00	CHRS6032	\$34,470.00
CHRS6045	\$4,554.00	CHRS6032	\$34,470.00	CHRS6032	\$34,470.00
CHRS6031	\$6,364.00	CHRS6032	\$34,470.00	CHRS6032	\$34,470.00
CHRS6031	\$5,390.00	CHRS6032	\$34,470.00	CHRS6032	\$34,470.00
CHRS6031	\$1,540.00	CHRS6032	\$34,470.00	CHRS6032	\$34,470.00
CHRS6029	\$3,710.00	CHRS6032	\$34,470.00	CHRS6032	\$34,792.80
CHRS6029	\$618.00	CHRS6032	\$34,470.00	CHRS6032	\$41,935.20
CHRS6013	\$99,736.00	CHRS6032	\$34,470.00	CHRS6032	\$14,947.20
CHRS6013	\$149,184.00	CHRS6032	\$34,470.00	CHRS6032	\$34,470.00
CHRS6013	\$88,256.00	CHRS6032	\$34,470.00	CHRS6032	\$34,470.00
CHRS6013	\$109,592.00	CHRS6032	\$34,470.00	CHRS6032	\$34,470.00
CHRS6013	\$150,920.00	CHRS6032	\$33,003.60	CHRS6032	\$34,470.00

CHRS6032	\$34,662.00	CHRS6032	\$34,470.00	CHRS6046	\$40,797.60
CHRS6032	\$33,631.20	CHRS6032	\$33,588.00	CHRS6046	\$40,797.60
CHRS6032	\$33,631.20	CHRS6032	\$33,631.20	CHRS6013	\$46,088.00
CHRS6032	\$34,470.00	CHRS6032	\$40,897.20	CHRS6049	\$35,310.00
CHRS6032	\$34,470.00	CHRS6032	\$34,470.00	CHRS6031	\$92,730.00
CHRS6032	\$34,470.00	CHRS6032	\$34,470.00	CHRS6032	\$18,000.00
CHRS6032	\$34,470.00	CHRS6032	\$34,470.00	CHRS6032	\$19,622.40
CHRS6032	\$34,470.00	CHRS6032	\$34,470.00	CHRS6032	\$34,054.80
CHRS6032	\$34,470.00	CHRS6032	\$33,847.20	CHRS6032	\$20,058.00
CHRS6032	\$34,470.00	CHRS6031	\$7,617.60	CHRS6032	\$19,056.00
CHRS6032	\$34,470.00	CHRS6031	\$3,385.60	CHRS6032	\$19,586.40
CHRS6032	\$34,470.00	CHRS6017	\$15,708.00	CHRS6032	\$19,830.00
CHRS6032	\$43,803.60	CHRS6032	\$34,470.00	CHRS6032	\$18,207.60
CHRS6032	\$40,761.60	CHRS6032	\$34,470.00	CHRS6029	\$164,491.20
CHRS6029	\$32,076.00	CHRS6032	\$26,608.80	CHRS6029	\$120,610.80
CHRS6049	\$27,000.00	CHRS6032	\$34,470.00	CHRS6029	\$137,663.60
CHRS6046	\$50,760.00	CHRS6032	\$34,470.00	CHRS6032	\$48,902.40
CHRS6031	\$55,110.00	CHRS6032	\$34,470.00	CHRS6032	\$38,035.20
CHRS6024	\$57,072.00	CHRS6032	\$34,470.00	CHRS6032	\$17,131.20
CHRS6024	\$43,994.00	CHRS6032	\$34,470.00	CHRS6032	\$48,902.40
CHRS6024	\$44,848.00	CHRS6032	\$33,610.80	CHRS6032	\$18,792.00
CHRS6024	\$16,956.00	CHRS6032	\$12,456.00	CHRS6032	\$1,245.60
CHRS6024	\$10,698.00	CHRS6050	\$71,724.00	CHRS6032	\$8,926.80
CHRS6024	\$26,996.00	CHRS6050	\$35,862.00	CHRS6032	\$1,868.40
CHRS6024	\$16,584.00	CHRS6046	\$50,760.00	CHRS6050	\$71,638.00
CHRS6024	\$51,452.00	CHRS6046	\$50,760.00	CHRS6029	\$73,132.00
CHRS6032	\$34,470.00	CHRS6046	\$50,760.00	CHRS6029	\$180,200.60
CHRS6032	\$34,470.00	CHRS6046	\$50,760.00	CHRS6029	\$55,097.20
CHRS6032	\$34,470.00	CHRS6046	\$50,760.00	CHRS6051	\$23,656.20
CHRS6032	\$33,346.80	CHRS6046	\$50,760.00	CHRS6008/09	\$70,500.00
CHRS6032	\$35,092.80	CHRS6046	\$50,760.00	CHRS6031	\$33,505.00
CHRS6032	\$34,470.00	CHRS6046	\$50,760.00	CHRS6019	\$27,023.00
CHRS6011	\$22,962.00	CHRS6046	\$40,797.60	CHRS6031	\$1,775.00
CHRS6031	\$28,441.20	CHRS6046	\$40,797.60	CHRS6004	\$34,720.00
CHRS6032	\$34,470.00	CHRS6046	\$40,797.60	CHRS6020	\$17,011.00
CHRS6032	\$34,470.00	CHRS6046	\$40,797.60	CHRS6020	\$12,760.00
CHRS6032	\$34,470.00	CHRS6046	\$20,398.80	CHRS6020	\$65,419.20
CHRS6032	\$34,470.00	CHRS6046	\$40,797.60	CHRS6020	\$66,178.80

31. The total amount of the invoices for merchandise manufactured by TL Toys for Chrisha is \$8,145,265.70.

32. An outstanding balance of \$8,145,265.70, plus interest, remains due and owing from Chrisha to TL Toys from all of the merchandise manufactured by TL Toys for Chrisha.

33. Despite demand for payment, Chrisha has failed to pay the remaining balance.

34. Accepting as true the allegations in the Rhode Island Complaint, and accepting that Chrisha is not liable for \$1,792,093.00 on product numbers 89004, 88886, 89005, 89011, 88996m, 89004m, and 89017, then an outstanding balance of \$6,353,172.70, plus interest, remains.

35. Chrisha has accepted merchandise manufactured by TL Toys for Chrisha as confirming, without payment for same, totaling \$6,353,172.70, plus interest.

36. Despite demand for payment, Chrisha has failed to pay the remaining balance.

37. An outstanding balance of \$6,353,172.70, plus interest, remains due and owing from Chrisha to TL Toys from the merchandise manufactured by TL Toys for Chrisha that is not identified in the Rhode Island Complaint as being non-confirming.

FOURTH CAUSE OF ACTION
(Unjust Enrichment)

38. TL Toys repeats and re-alleges paragraphs 1 through 37 as if set forth herein.

39. Chrisha had use and possession of TL Toy's merchandise without making payments to TL Toys.

40. Chrisha was unjustly enriched in an amount equal to the contract price of the merchandise plus interest, plus any other income Chrisha realized or received due to its possession, use and/or sale of TL Toy's products.

41. Accordingly, TL Toys is entitled to judgment against Chrisha in an amount to be determined by the value of the merchandise, the amounts due under the parties' contracts plus any other income that Chrisha received due to the possession and/or sale of the products.

FIFTH CAUSE OF ACTION
(Book Account)

42. TL Toys repeats and re-alleges paragraphs 1 through 41 as if set forth herein.

43. The agreements between TL Toys and Chrisha are evidenced by invoices.

44. Chrisha has failed and refused to pay said sum in full, despite due demand, which said amount remains due and owing.

45. TL Toys' invoices were rendered in the regular course of business and Chrisha did not timely object to the amount contained therein.

46. Accordingly, Chrisha is liable to TL Toys for an account stated in the amount of \$8,251,911.42 plus interest.

SIXTH CAUSE OF ACTION
(Breach of Duty of Good Faith and Fair Dealing)

47. TL Toys repeats and re-alleges paragraphs 1 through 46 as if set forth herein.

48. Chrisha has arbitrarily and unreasonably withheld money due and owing to TL Toys under the parties' agreement.

49. Chrisha's conduct has deprive TL Toys of the benefits of the parties' agreement.

50. Chrisha has acted with bad motive and/or intention in failing to honor the agreement.

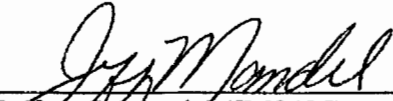
51. Chrisha's conduct constituted a breach of the implied covenant of good faith and fair dealing.

WHEREFORE, Plaintiff, TL Toys HK Ltd., seeks judgment against Defendant, Chrisha Creations Ltd., as follows:

(a) Declaring Defendant, Chrisha Creations Ltd., in breach of contract;

- (b) Awarding Plaintiff, TL Toys HK Ltd., an amount of \$8,251,911.42 plus interest;
- (c) Awarding Plaintiff, TL Toys HK Ltd., an amount equal to that which Defendant, Chrisha Creations Ltd., has been unjustly enriched; and
- (d) Awarding Plaintiff, TL Toys HK Ltd., such other and further relief as this Court deems just and proper.

Respectfully submitted,

By: 
Jeffrey S. Mandel (JM8435)

DAY PITNEY LLP
7 Times Square
New York, New York 10036
(212) 297-5800

Attorneys for Plaintiff
TL Toys HK Ltd.

Dated: 2/21/07